

BEFORE THE

IDAHO PUBLIC UTILITIES COMMISSION

CASE NO. IPC-E-03-13

IDAHO POWER COMPANY

EXHIBIT NO. 19

L. SMITH

Known and Measurable Adjustments to
Operating Expenses and Rate Base

Idaho Power Company
Summary of Known & Measurable Adjustments to 2003
Operating Expenses During 2004

<u>Line No.</u>	<u>Source Page</u>		<u>Amount</u>
Known & Measurable Adjustments			
1	A	Incentive	\$ 5,114,821
2	A	Operating Pension Expense Adjustment	2,170,163
3	A	2002 Prescription Expenses Booked in 2003	(280,107)
4	B	2004 Salary Structure Adjustment	2,241,595
5	B	American Falls Interest	297,436
6	B	Property & Liability Insurance	<u>364,014</u>
7		Total Known & Measurable Adjustments	<u><u>\$ 9,907,923</u></u>

A

Idaho Power Company
Detail of Known & Measurable Adjustments to 2003
Operating Expenses During 2004

<u>Line No.</u>		<u>Amount</u>
	1) Incentive Expense (Various accts)	
1	2003 Estimated Adjusted Straight-time Payroll	\$ 108,640,131
2	Less Estimated Officer Payroll	<u>2,400,454</u>
3	Total Payroll Excl Officers	106,239,677
4	Normalized Incentive Rate	<u>7.00%</u>
5	Normalized Incentive	7,436,777
6	Less 2003 Estimated Incentive	<u>-</u>
7	Increase	7,436,777
8	Times operating percent	<u>68.78%</u>
9	Adjustment to Operating Expense	<u><u>\$ 5,114,821</u></u>
	2) Operating Pension Expense Adjustment (926)	
10	Service Cost	\$ 10,173,344
11	Less 2003 Accrual	<u>7,018,000</u>
12	Difference	3,155,344
13	Operating Percent	<u>68.78%</u>
14	Adjustment to Operating Expense	<u><u>\$ 2,170,163</u></u>
	3) 2002 Prescription Expenses Booked in	
15	2003 (Various accts)	\$ (407,266)
16	Times Operating Percent	<u>68.78%</u>
17	Adjustment to Operating Expense	<u><u>\$ (280,107)</u></u>

B

Idaho Power Company
Detail of Known & Measurable Adjustments to 2003
Operating Expenses During 2004

Line No.		Amount
	4) 2004 Operating Payroll SSA (Various accts)	
1	2003 Annualized Gross Payroll	\$ 108,640,131
2	Estimated SSA	3.00%
3	Gross Adjustment	<u>3,259,204</u>
4	Operating percent	<u>68.78%</u>
5	Adjustment to Operating Expense	<u><u>\$ 2,241,595</u></u>
	5) American Falls Interest (536)	
6	2004 Estimated	\$ 801,941
7	Less 2003 Actual/Estimated	<u>504,504</u>
8	Adjustment to Operating Expense	<u><u>\$ 297,436</u></u>
	6) Liability & Property Insurance (924 & 925) 2004 Premium Increase	
9	New monthly premium (with increase)	\$ 593,613
10	Times 12	7,123,358
11	Less 2003 Annualized Estimated Cost	<u>6,739,760</u>
12	2004 Adjustment	383,598
13	Less Portion to Subsidiaries	<u>19,584</u>
14	Idaho Power Portion	<u><u>\$ 364,014</u></u>

Idaho Power Company
Detail of Known & Measurable Adjustments to 2003
Operating Expenses During 2004

Line No.	Source Page		<u>Amount</u>
		3) Operating Pension Expense Adjustment (926)	
1	4	Service Cost	\$ 10,173,344
2	4	Less 2003 Accrual	<u>7,018,000</u>
3		Difference	3,155,344
4	1	Operating Percent	<u>68.78%</u>
5		Adjustment to Operating Expense	<u><u>\$ 2,170,163</u></u>
6	5	4) 2002 Prescription Expenses Booked in 2003 (Various accts)	\$ 407,266
7	1	Times Operating Percent	<u>68.78%</u>
8		Adjustment to Operating Expense	<u><u>\$ 280,107</u></u>

Idaho Power Company
Major Plant Additions Known to Occur in 2004

Line No.		2004 Plant Closings (1)	Average Annual Composite Accrual Rate	Annual Depreciation Expense	Annual Depreciation Reserve	Annual Composite Property Tax Rate	Annual Composite Property Tax	Annual Insurance Rate Per \$100	Annual Insurance Expense
1	Trans station	13,441,220	2.544%	341,945	170,972	0.610%	81,991	\$ 0.061	8,199
2	Trans line	3,085,970	2.131%	105,431	52,715	0.610%	30,180	0.000%	-
3		1,861,500							
4		<u>4,947,470</u>							
5	Total	<u>\$ 18,388,690</u>		<u>\$ 447,375</u>	<u>\$ 223,688</u>		<u>\$ 112,171</u>		<u>\$ 8,199</u>

(1) Plant estimated to close prior to June, 2004.

LINE NO			
1	2004 Depreciation Expense - Expected Old Rates	\$	91,072,585
2	2004 Depreciation Expense - Expected New Rates	\$	97,048,855
3	Increase to Depreciation Expense using New Rates	\$	5,976,270
4	Increase to Depreciation Reserve Account 108 (Average)	\$	2,988,135
5	1 Detail by FERC categories:		
6	Total Steam Production	\$ (731,839)	\$ (365,919)
7	Total Hydro Production	\$ 1,450,788	\$ 725,394
8	Total Other Production	\$ (252,608)	\$ (126,304)
9	Total Transmission Stations	\$ (1,239,503)	\$ (619,751)
10	Total Transmission Lines	\$ 1,443,320	\$ 721,660
11	Total Distribution Stations	\$ (1,144,416)	\$ (572,208)
12	Total Distribution Lines	\$ (5,243,126)	\$ (2,621,563)
13	Total General	\$ 11,693,653	\$ 5,846,826
14	Total Adjustment	\$ 5,976,270	\$ 2,988,135